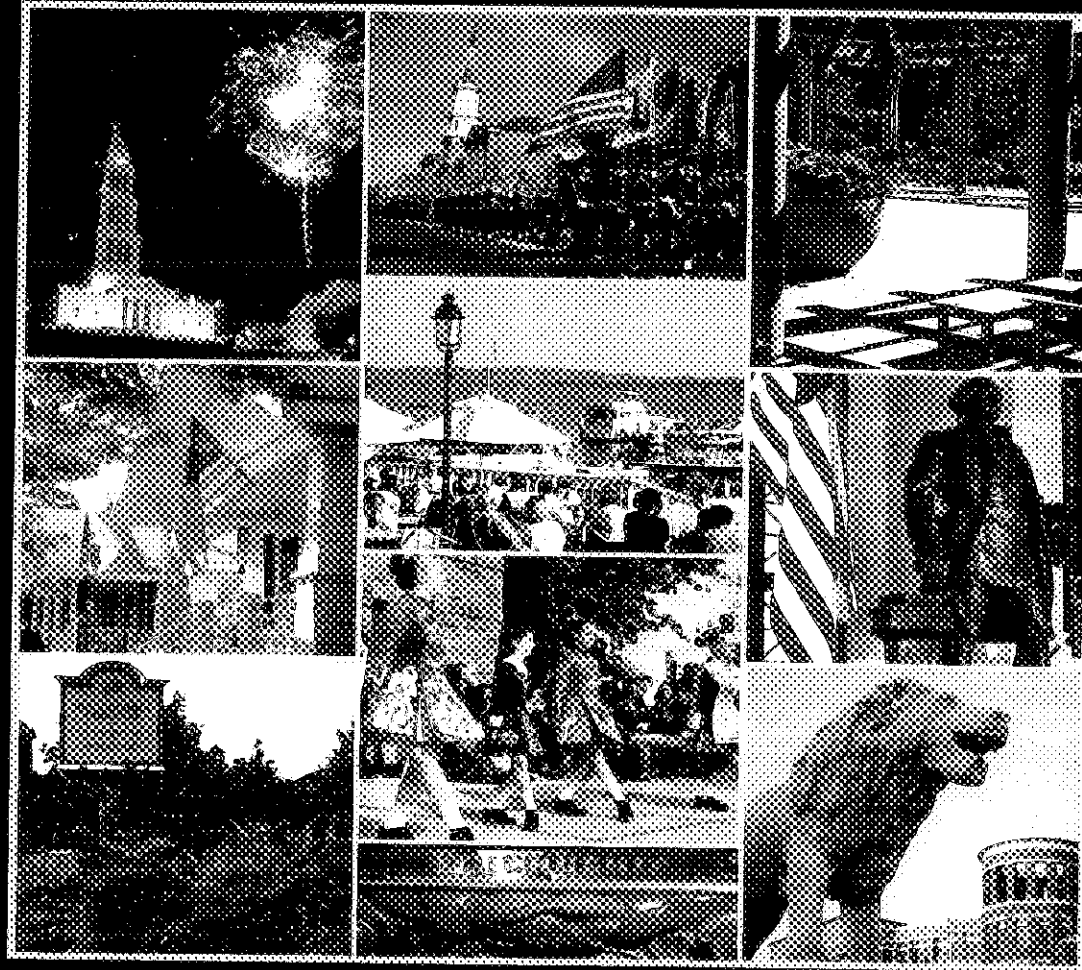
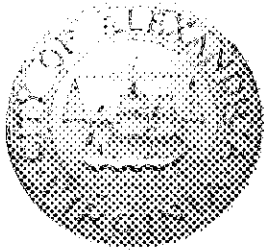


# *City of Alexandria*



## *FY 2003 Proposed Operating Budget*

## *FY 2003–2008 Proposed Capital Improvement Program*



# ***FY 2003 Proposed Operating Budget & FY 2003 to FY 2008 Proposed Capital Improvement Program (CIP)***

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- I. Factors Driving the Budget and CIP
- II. Operating Budget and CIP Highlights
- III. General Fund: Analysis of Sources
- IV. General Fund: Analysis of Uses



## ***Factors Driving the FY 2003 Proposed Operating Budget***

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- Third consecutive year of notable increases in residential property assessments
- Small growth in non-real estate revenue
- Reductions in State Aid of \$1.5/\$2.5 m
- Operating, Capital Funding needs of Schools
- Public safety needs, especially in light of 9/11 & rising resident & daytime populations



## ***Factors Driving the FY 2003 Proposed Operating Budget continued...***

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- Competitive adjustments in City and School employees' compensation and benefits
- Affordable housing initiative
- No sliding on CIP, progress on priorities
- Keep AAA bond ratings and financial policies intact

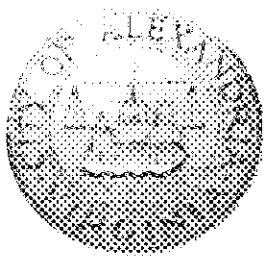


## ***FY 2003 Proposed Operating Budget Highlights***

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### Summary: FY 2003 Proposed Budget

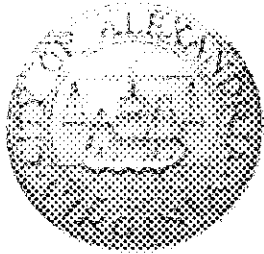
- All Funds Budget of \$454.5 m (+5.8%)
- General Fund Budget of \$373.3 m (+6.6%)
- Total six-year CIP of \$306.9 m (+3.4%)



## ***Operating Budget Highlights: Two Cent Tax Rate Reduction***

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- Reduction from \$1.11/\$100 to \$1.09/\$100
- Revenue impact in FY 02 =\$1.6m; in FY 03 =\$3.3 m; Total =\$4.9 m
- Average residential home tax increase:
  - At \$1.11 Rate = \$367
  - At \$1.09 Rate = \$317- \$50 less
- Net effect: Second lowest real estate increase in Northern Virginia



## ***Operating Budget Highlights: Education***

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- Fully funds Schools operating budget request at \$114.9 m (+7.1%)
- Includes \$2.6 m for a 2.5% COLA for School employees



## ***Operating Budget Highlights: Contingent Reserves***

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- General: \$950,000
- State Aid Loss: \$1,500,000
- Total Contingent Reserves: \$2,450,000





## *Operating Budget Highlights: Public Safety*

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- Funds 9 additional Police Officers with expectation of funding additional Police Officers in FY 2004 in response to:
  - 9/11
  - Rising residential and daytime populations
- Increased Sheriff's staffing for security at the Public Safety Center
- Significant one-time federal funding pending for Police and Fire



## ***Operating Budget Highlights: City Employees Compensation & Benefit Changes***

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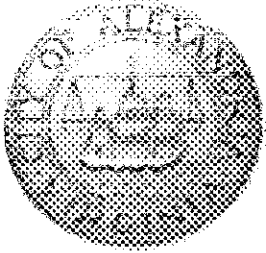
- Totals \$6.4 m or 62% of overall City operating expenditure increase
- COLA: \$3.8 m for a 2.5% COLA
- Health Insurance: \$2.0 m for premium increases for employees & retirees
- Longevity: \$0.4 m for new merit step
- Overtime Pay Reform: \$0.2 m net cost<sub>10</sub>



## ***Operating Budget Highlights: Affordable Housing***

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- Creation of annual \$1 m affordable housing production fund
- \$0.3m General Fund, \$0.7m HOME and Housing Trust Fund
- Programs for seniors and elderly: – *disabled*
  - Enhancement of real estate tax relief program
  - Expansion of rent relief program



## ***Highlights of the FY 2003-2008 Capital Improvement Program (CIP)***

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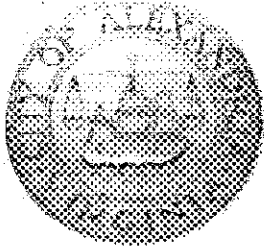
- Continues strong investment program in City and School buildings & infrastructure
- \$306.9 m total funding for 6-year plan
- \$183.6 m in City funding for 6-year plan
- \$96.9m = City Projects; \$86.7m = School projects
- CIP plan requires only \$55m in bonds with remaining funds largely from current bond proceeds & cash capital
- Funding plan meets all City debt policies



## *Highlights of the FY 2003-2008 Capital Improvement Program (CIP)*

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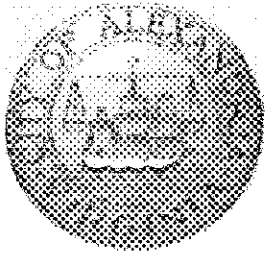
- Funds School's Capital budget request of \$107.6 m except generic elementary enrollment capital not funded
- Includes \$19.6 m in FY 03
  - \$12.8 m for G.W. Middle School
  - \$1.2 m for Minnie Howard
  - \$5.6 m for various other school projects



## ***Highlights of the FY 2003-2008 Capital Improvement Program (CIP)***

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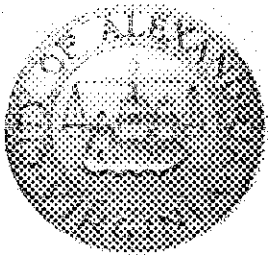
- Funds \$37.1 m in FY 03 and beyond for T.C. Williams & Minnie Howard School projects, which is \$8.2 m beyond the current CIP



## ***Highlights of the FY 2003-2008 Capital Improvement Program (CIP)***

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- Includes \$34.9 m in FY 03 for City projects
  - \$9.6 m for sanitary and storm sewers
  - \$2.0 m for Upper Potomac West
  - \$1.5 m for Sam. Madden (Downtown)
  - \$3.0 m added to Health Department



## ***Highlights of the FY 2003-2008 Capital Improvement Program (CIP)***

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- \$1.4 m for Park & Recreation facilities
- \$0.6 m for traffic calming projects  
(A 50% increase in annual funding)

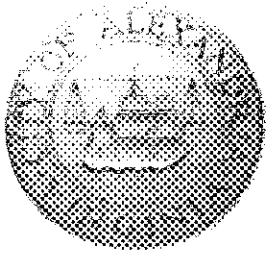




## *Summary*

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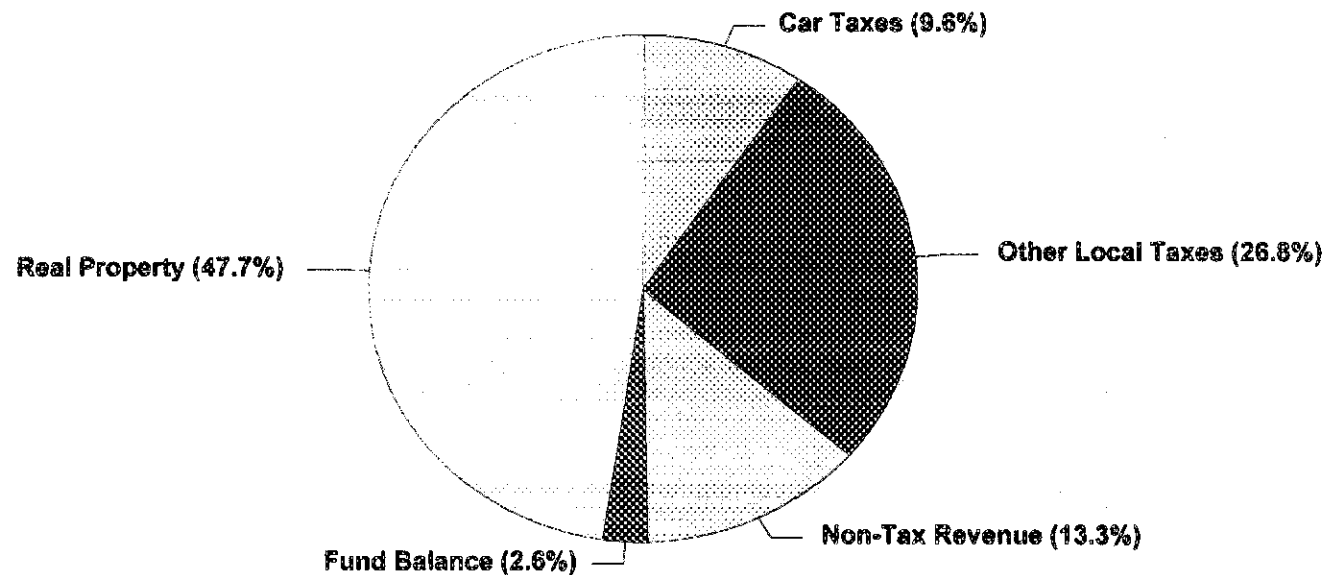
- The Proposed Budget and CIP are consistent with adopted financial policy guidelines:
  - All debt ratios are kept low to moderate
  - Debt-to-tax-base ratio stays at less than 1%
  - Strong utilization of non-bond sources
  - Fund balance used but not below targets
  - Consistent with AAA bond ratings

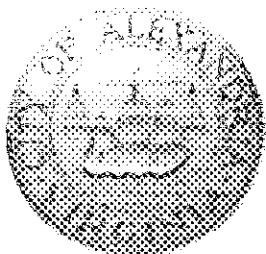


# ***FY 2003 General Fund Sources***

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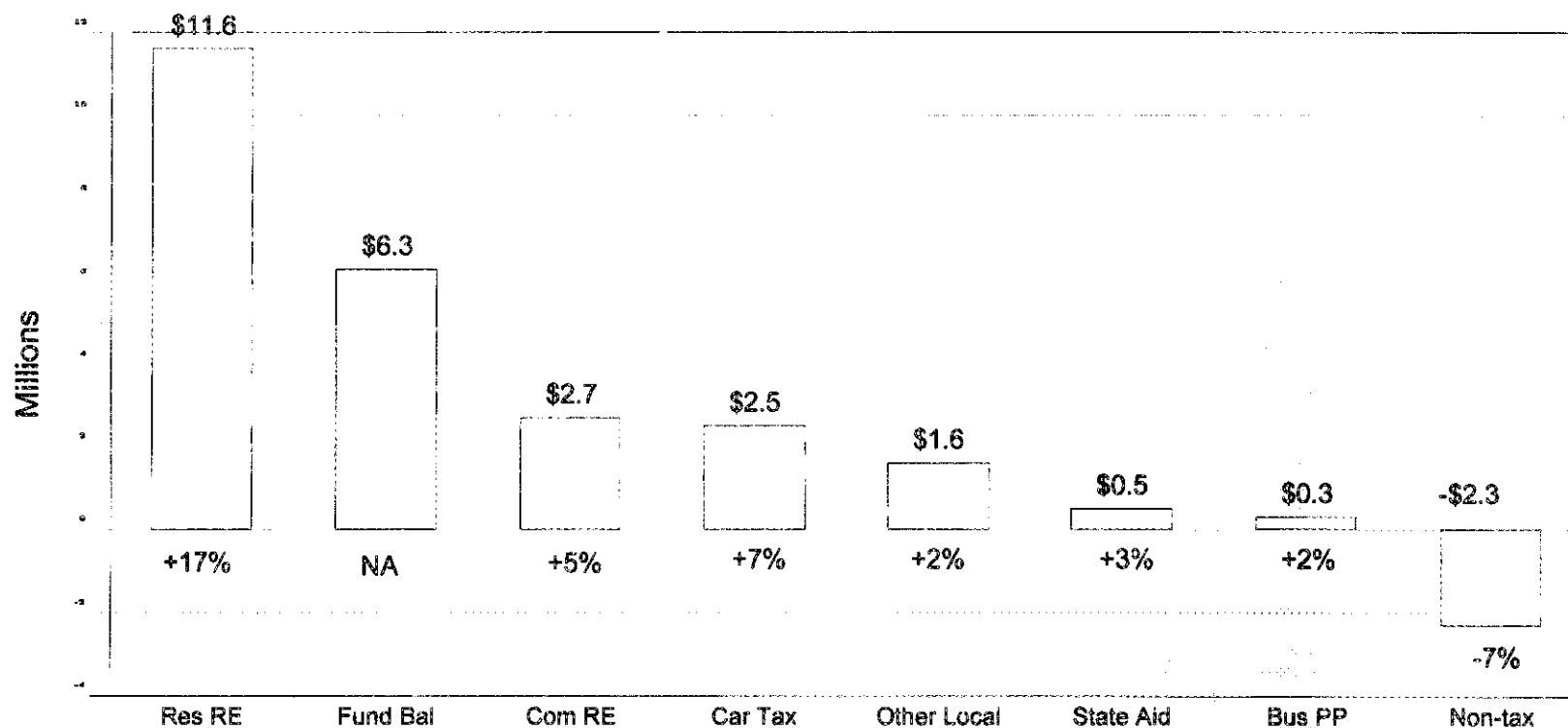
## **FY 2003 Resources Distribution General Fund**

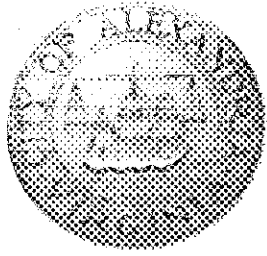




## ***FY 03 General Fund Sources***

**Change in GF Resources of \$23.1 m**  
FY 2002 - FY 2003





## ***FY 03 General Fund Sources- Real Estate Tax***

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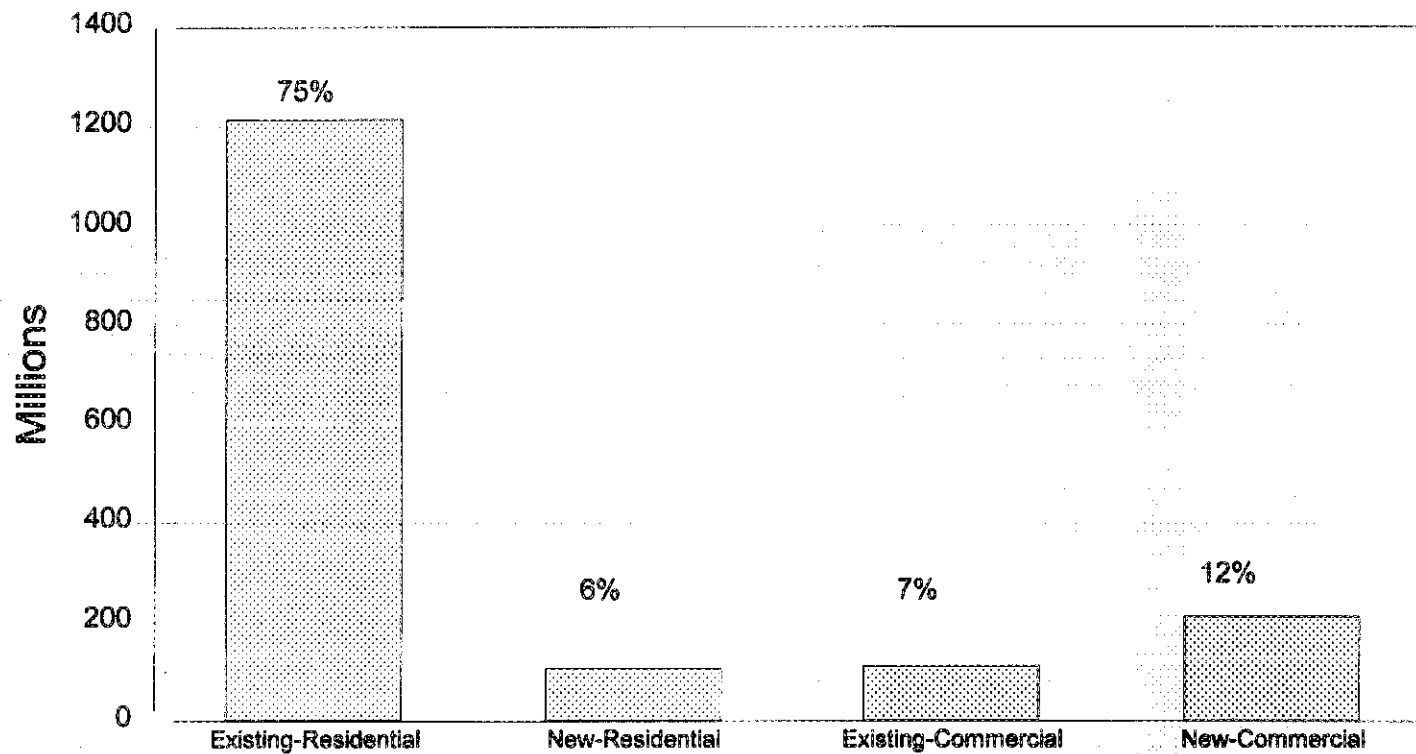
- Real Estate tax base increased \$1.64 billion to \$16.27 billion
- Residential properties now 54.6% of tax base, commercial 45.4% (multi-family 12.4%)
- In 1991, Residential was 46%, commercial was 54%
- Residential and multi-family now 67% of tax base



## ***FY 2003 General Fund Sources-Breakdown of 2002 Real Estate Assessments***

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**\$1.64b Increase by Sector and New Construction/Existing**

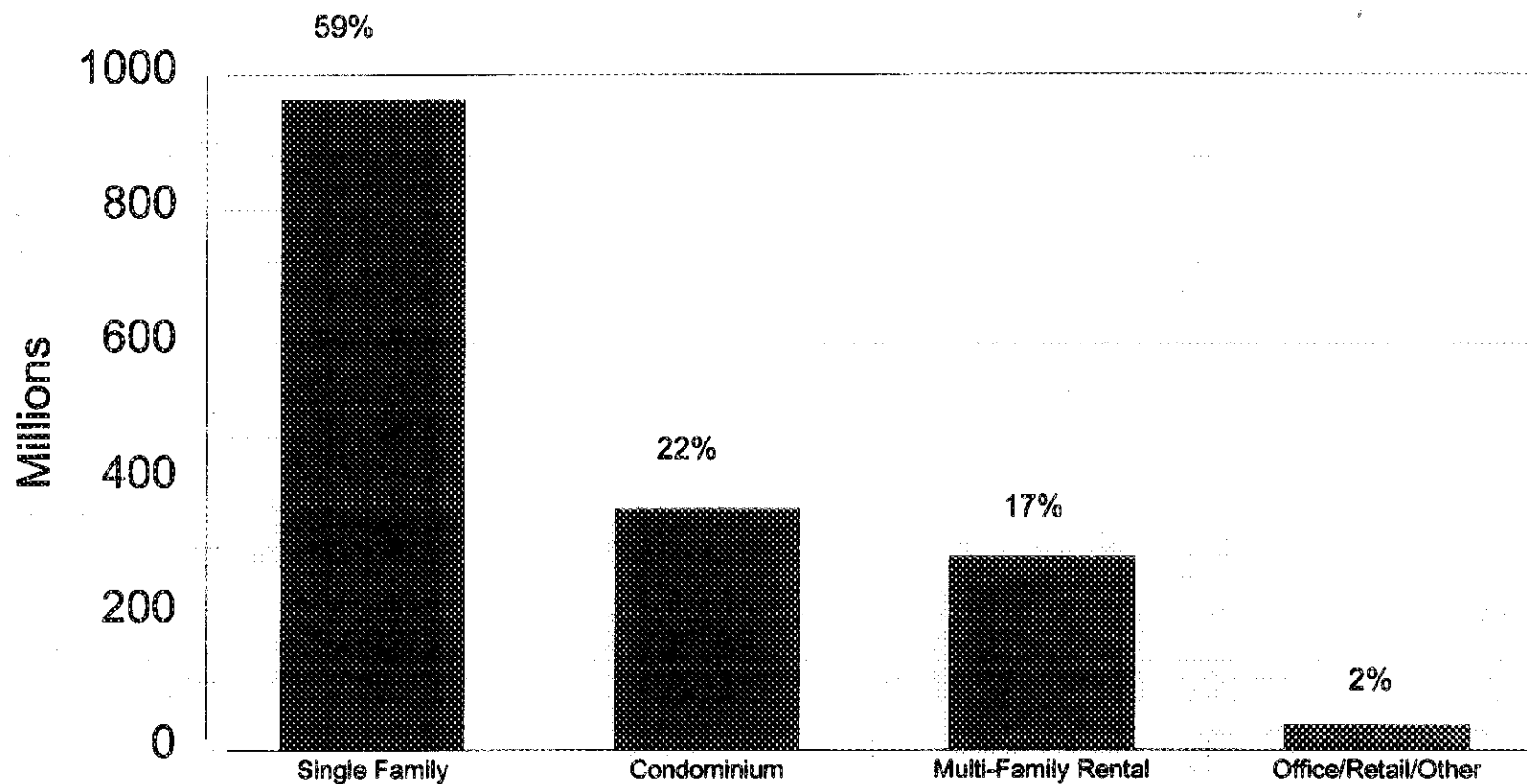


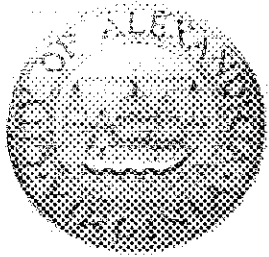


## ***FY 2003 General Fund Sources-Breakdown of 2002 Real Estate Assessments***

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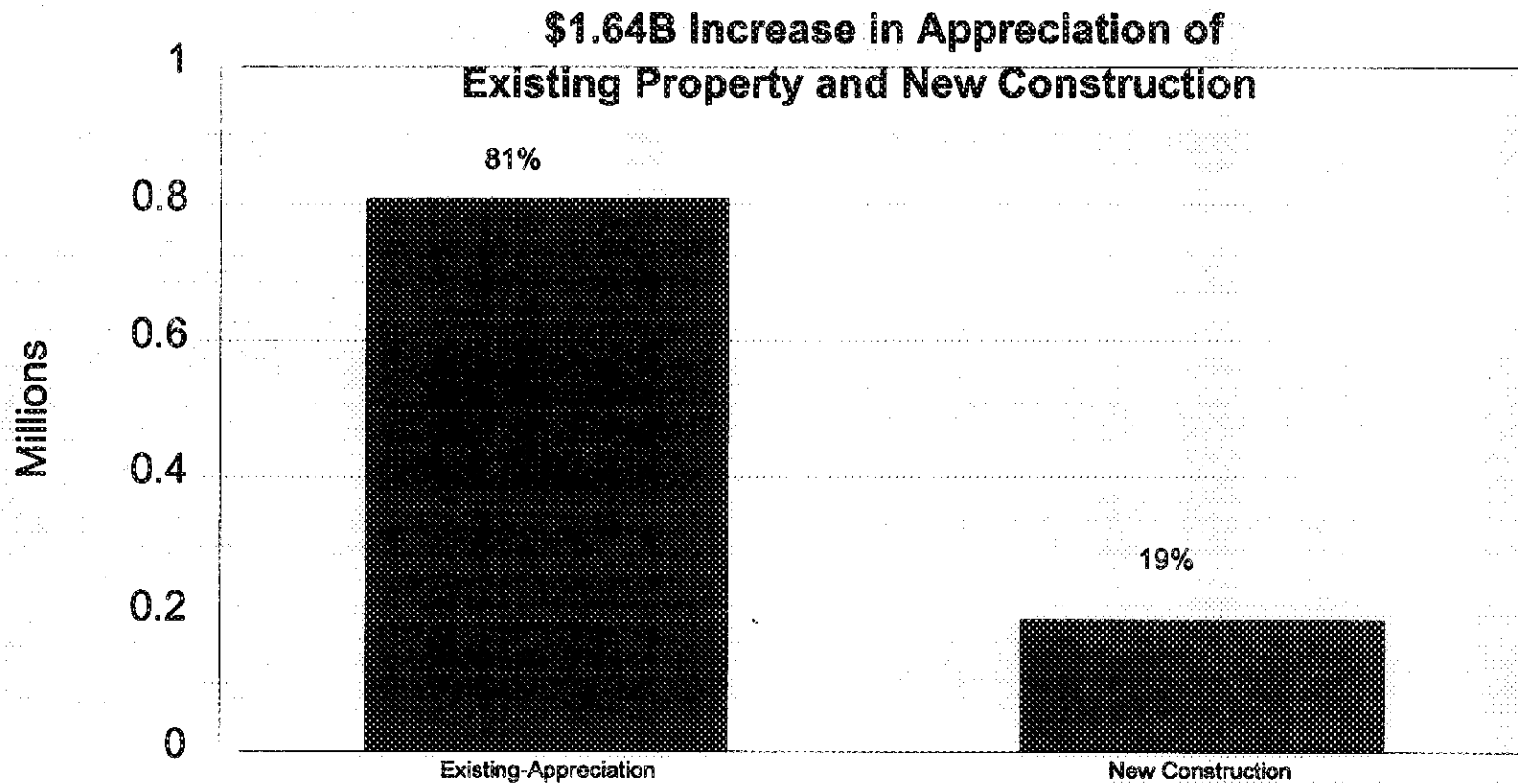
**\$1.64B Increase by Sector**

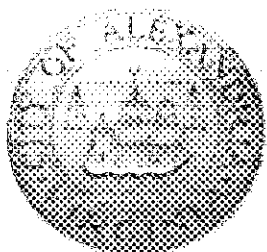




## ***FY 03 General Fund Sources-Breakdown of 2002 Real Estate Assessments***

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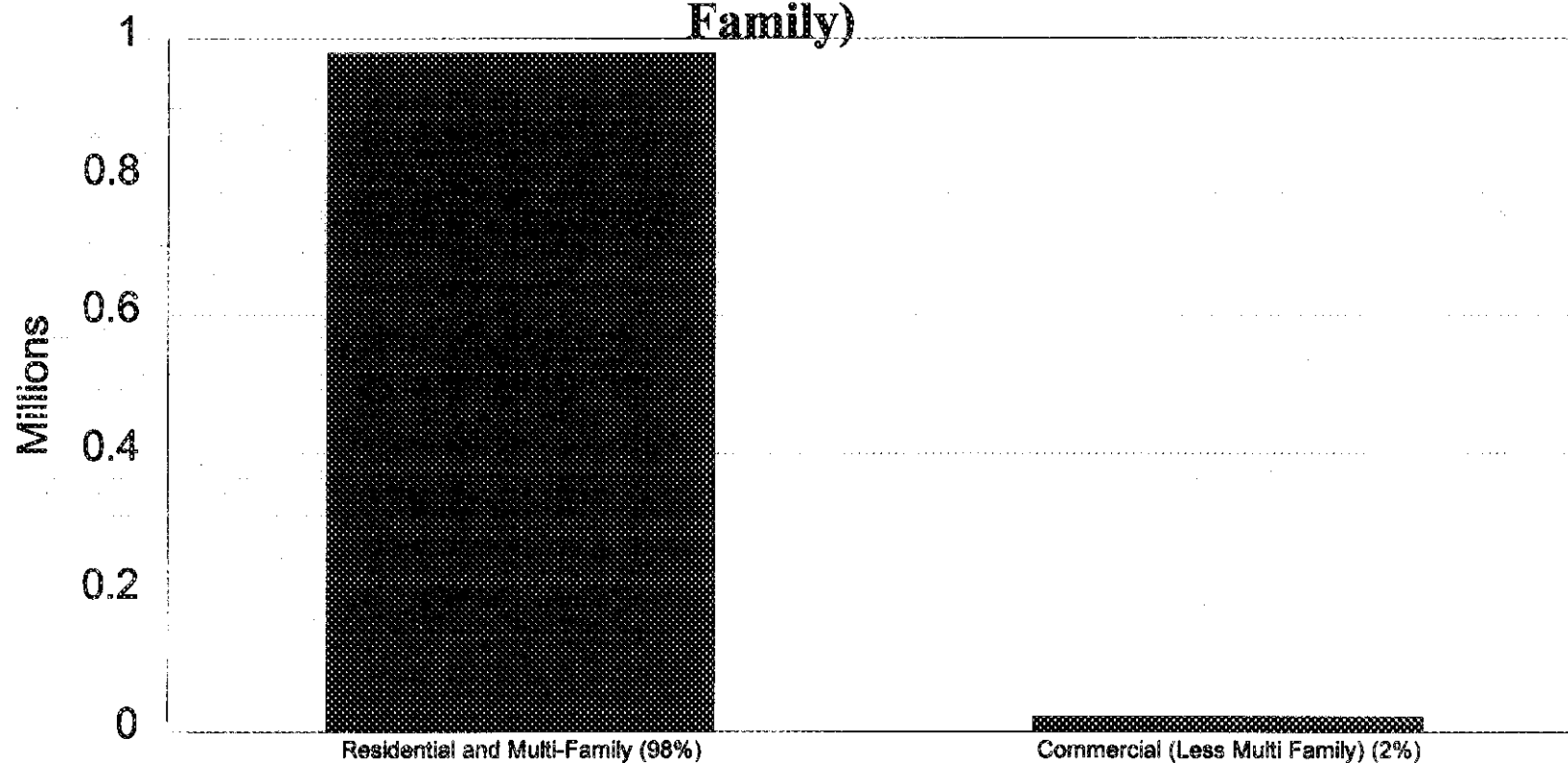




## ***FY 2003 General Fund Sources-Breakdown of 2002 Real Estate Assessments***

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**\$1.64b increase by Residential (all types) and Commercial (less Multi-Family)**







## ***Northern Virginia Increased Real Estate Taxes- Average Residential***

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### **Rank by Tax Payment 2001**

1. Fairfax

2. Alexandria

3. Loudoun

4. Arlington

5. Prince William

### **Rank by Proposed Tax Bill Increase 2002**

1. Fairfax +(\$470)

2. Arlington +(\$461)

3. Loudoun +(\$421)

4. Alexandria+(\$317)

5. Prince William+(\$212)

### **Rank by Proposed Tax Payment 2002**

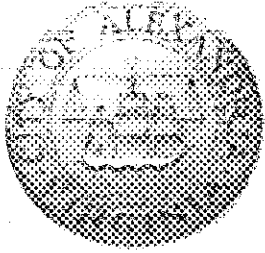
1. Fairfax

2. Loudoun

3. Arlington

4. Alexandria

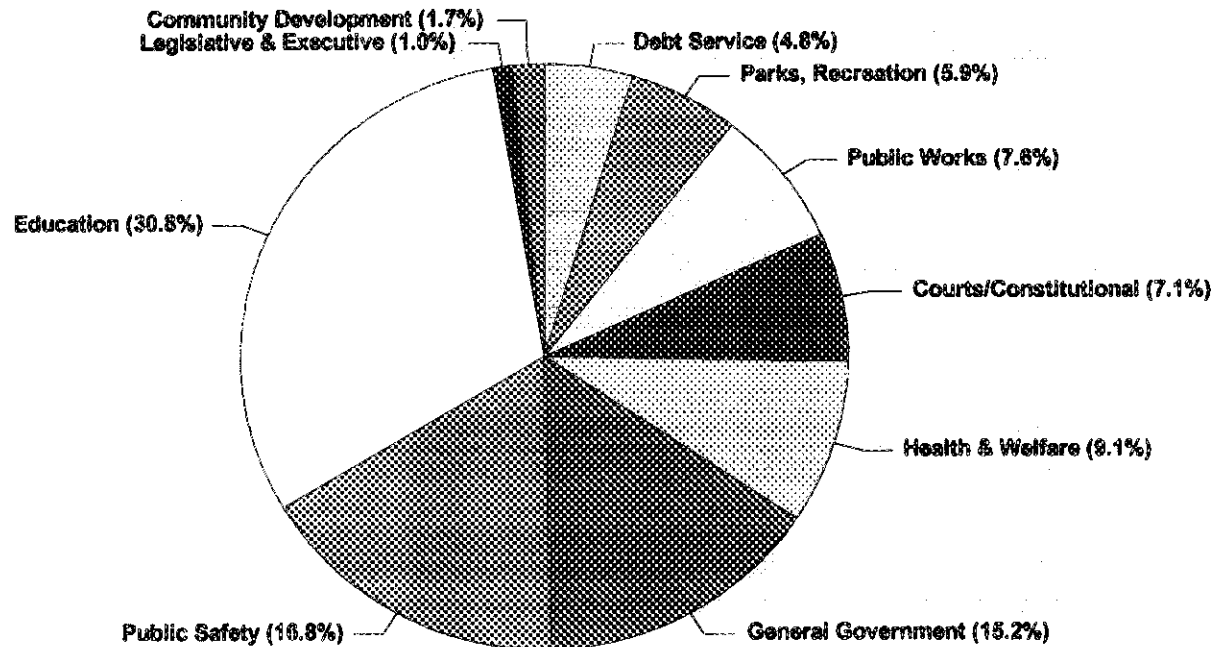
5. Prince William

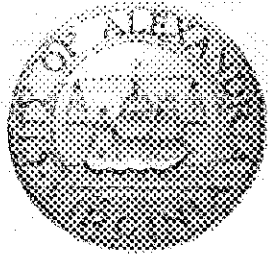


# ***FY 2003 General Fund Expenditures***

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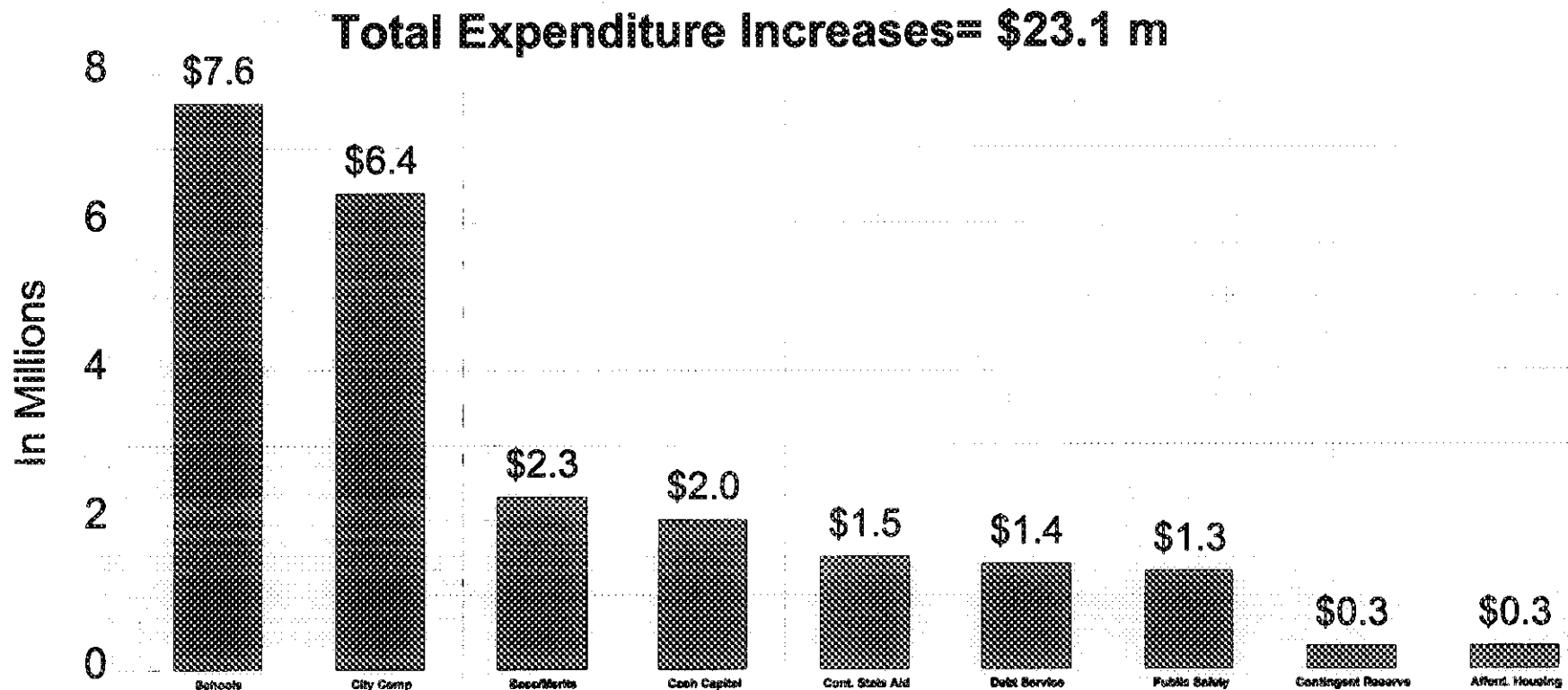
**FY 2003 Expenditure Distribution  
General Fund**



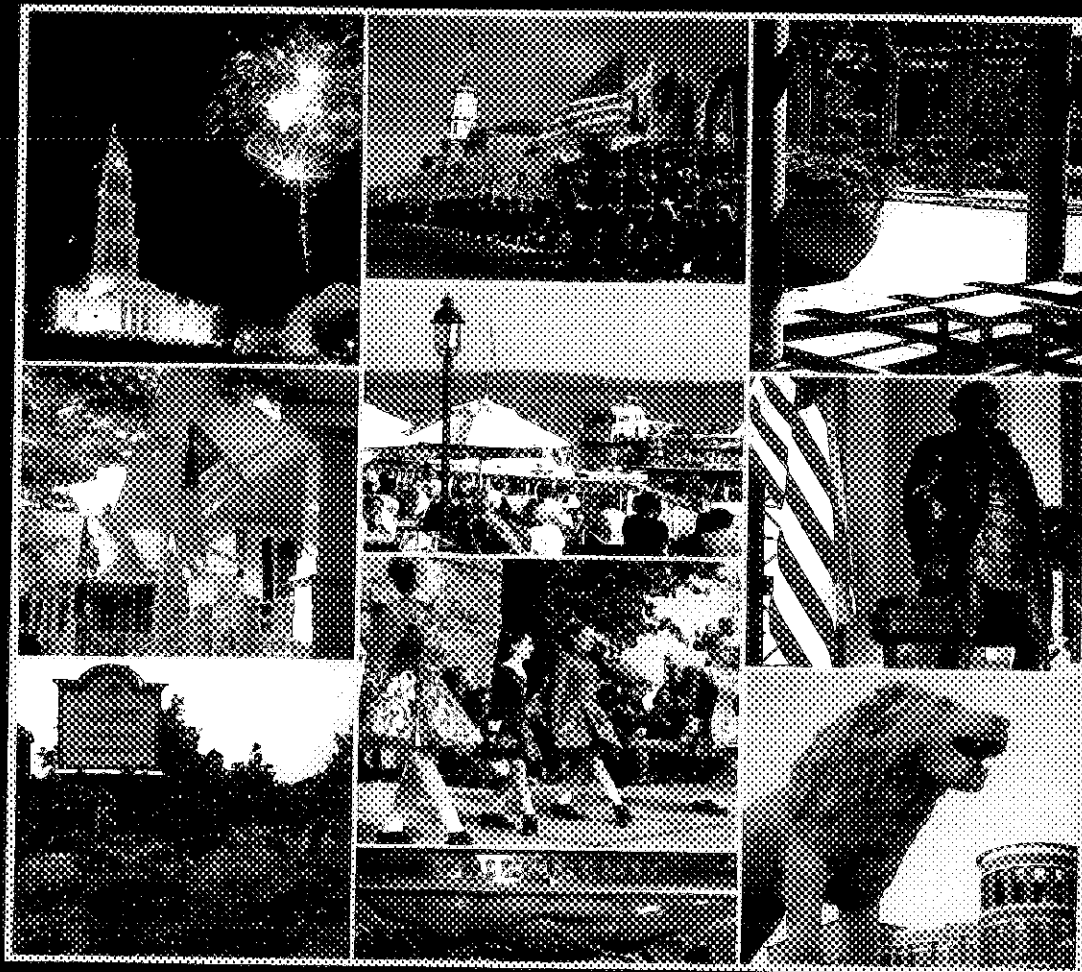


# ***FY 03 General Fund Expenditures Changes from FY 02***

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# *City of Alexandria*



*Budgets are available by calling (703) 838-4780 or on the Internet  
at: [ci.alexandria.va.us](http://ci.alexandria.va.us)*